REIANEWS

ISSUE 97: MAY 2020

IN THIS ISSUE

Mr Adrian Kelly
REIA President

PRESIDENT'S REPORT

WELCOME
FROM REIA'S PRESIDENT

Welcome to the May edition of REIA News.

Last month I commented on how our world has been turned upside down since the outbreak of Corona Virus across the world and noted the added responsibilities placed on our professionals as we deal with providing housing for Australia.

Since that time the REIA together with its member state Real Estate Institutes (REIs) have been working closely and tirelessly with governments and others to help address the disruption that has occurred

The REIs have worked with their state governments to address the circumstances of tenants genuinely unable to meet rent commitments as well as continuing to show homes for sale to prospective buyers under strict social distancing rules.

The REIA has had countless meetings with Government agencies to ensure that schemes such as JobKeeper address the needs of agents who have variable and lagged incomes compared to wage and salary workers. The REIA has also engaged with insurers to address the mounting criticism over the insurance industry's perceived lack of action to help policyholders through the fallout arising from the virus pandemic. The upshot has been that key insurers have temporarily removed the requirement for landlord customers to provide an eviction notice when making a claim for loss of rent.

It is not surprising then that many of the articles in this edition of REIA news relate to the COVID-19 pandemic. There is an article by Terri Scheer Insurance seeking to provide greater clarity to property managers and their landlords. Another is on the temporary changes that the Commonwealth Government has made to arrangements for foreign investments – fortunately the change does not affect foreign investments in residential real estate. A further article by the ATO provides information and answers to help understand how COVID-19 and government legislated changes may affect rental income and deductions.

During these unprecedented times REIA continues to make frequent statements on the evolving situation. Again, I would like to recommend that you go to www.reia@asn.au/media/media-releases to find out about the latest developments. I'd also recommend that you visit www.Australia.gov.au which gives you the latest Coronavirus news, updates and advice from government agencies across Australia including assistance available to individuals and business.

Mr Adrian Kelly

REIA PRESIDENT

Follow us on Twitter @REIANational

This article is brought to you by Carolyn Parrella
Terri Scheer Insurance
Executive Manager

LANDLORD INSURER PROVIDES COVID-19 CLARITY

Terri Scheer Insurance is seeking to provide greater clarity and certainty to property managers and their landlords during COVID-19.

It has been heartening to see Australia's property managers demonstrate genuine concern and empathy for their landlords during COVID-19. We know you want to support your landlords to navigate these difficult times.

Similarly, Australia's landlords have shown real compassion for their tenants during the pandemic crisis.

Terri Scheer has been inundated with calls from property managers wanting to know how best to support their landlords, and from landlords who want to offer their tenants reduced rent but have been unsure of the insurance implications.

This comes at a time when property managers and landlords may be facing their own financial difficulties.

Property managers and landlords have also raised questions about the eviction moratorium period and whether investors can still claim for loss of rent.

In circumstances where a tenant cannot be evicted while an eviction moratorium is in effect, the unpaid rent would continue to accrue until the tenant leaves the property, which may be after the end of the moratorium.

Upon the eventual leaving of the tenant, you can follow the normal processes to remedy the arrears or lodge a claim.

We won't require property managers to issue a notice of eviction during the moratorium period for a later claim to be valid, but this is limited to the period of the moratorium.

Property managers should be aware that a renegotiated reduction in rent is not considered a default by a tenant and the gap between the original rent and their renegotiated rent will not be covered under their landlords' insurance.

However, landlords who choose to negotiate lower rents with tenants will remain covered under their existing policy to the new rental amount. So, if a tenant stops paying rent at the renegotiated amount and vacates the property, there may be a valid trigger for a claim.

During the pandemic, Terri Scheer also continues to cover damage caused by tenants and legal liability, subject to terms and limits.

We understand the risks for landlords associated with owning rental property have heightened as a result of COVID-19 and that your landlords may be leaning on you for support.

Please be reassured that our claims, enquiries and support teams are committed to continuing to help property managers and your landlords during this time.

» *For further information, visit www.terrischeer.com.au or call 1800 804 016.*
Media contact: Corporate Conversation, 08 8224 3535

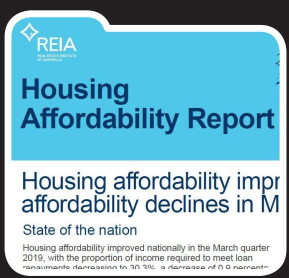
REIA PUBLICATIONS

REIA has published property market data and analysis for several decades. It has an excellent reputation as a highly credible source of information and considered opinion on the residential and commercial property markets in Australia.

REIA publications use information collated from a wide variety of sources including real estate agencies, industry and government. Both raw data and analysis are published in REIA reports.

The REIA Housing Affordability Report and the REIA Real Estate Market Facts may be purchased as a 6 or 12 month subscription. For more about the REIA Housing Affordability Report, click here. For more about the REIA Real Estate Market Facts publication, click here.

Also, "datacube" spreadsheets provide key information on quarterly median values, dating from the beginning of REIA data collection through to the current quarter, for all capital cities where data is available. For more information on REIA datacubes, please call 02 6282 4277.



RELEASE DATES FOR THE 2020 REPORTS ARE AS FOLLOWS:

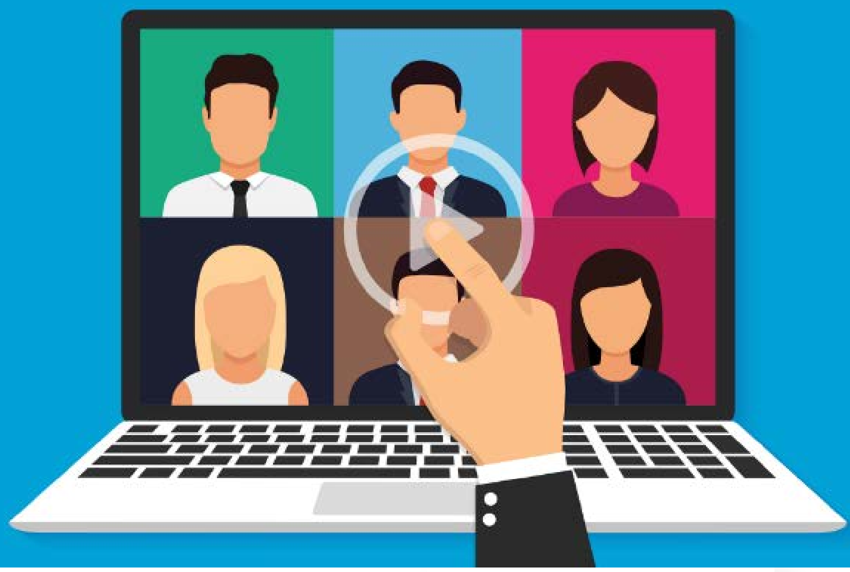
REIA Housing Affordability Report

- December quarter 2019 – Wednesday 4 March 2020
- March quarter 2020 – Wednesday 3 June 2020
- June quarter 2020 – Wednesday 2 September 2020
- September quarter 2020 – Wednesday 2 December 2020

REIA Real Estate Market Facts

- December quarter 2019 – Wednesday 11 March 2020
- March quarter 2020 – Wednesday 10 June 2020
- June quarter 2020 – Wednesday 9 September 2020
- September quarter 2020 – Wednesday 9 December 2020

HAVE YOU GOT MORE QUESTIONS THAN ANSWERS WHEN IT COMES TO SUPERANNUATION?



Super is not always straight forward, especially during these challenging times however REI Super's Business Development Managers are focussed on helping you, make super easy.

Do you have questions about super, that you need answers to?

Are your team members inundating you with questions about super which you are unable to answer?

The good news is that REI Super are here and available to provide you, and your team with virtual Q&A and educational sessions. Get in touch today to book a session. https://www.reisuper.com.au/employers/workplace-visits

You probably have a lot on your mind, and a lot to keep up with during these uncertain times, so why don't you let REI Super help by taking super off your hands.

REI Super can tailor sessions to meet the needs of you and your team, making them topical and educational as well as answering all your questions. Regardless of your super fund, REI Super will cover topics relevant to everyone.

Think of REI Super's Business Development Managers as your very own super support team.

REI Super are here to help inform, advise and inspire our industry. Get in touch and book a session today by filling out this form: https://www.reisuper.com.au/employers/workplace-visits

AUSTRALIAN TAXATION OFFICE

TEMPORARY CHANGE TO FIRB REQUIREMENTS

You have probably heard that the Commonwealth Government has made some temporary changes to arrangements for foreign investments. The change does not affect foreign investments in residential real estate.

The Government has temporarily reduced the monetary threshold for foreign investment review to $0 effective from 29 March 2020. Residential real estate was already subject to a zero monetary screening threshold. The change does, however, affect foreign investments in commercial and agricultural real estate, including leases with a term of more than five years.

This means a greater number of investments by foreign persons now require approval. It is the responsibility of investors to understand how and if the foreign investment framework applies to them, and to comply with it. If unsure, they should seek legal advice.

To manage the increased caseload, the Foreign Investment Review Board (FIRB) is working with some investors to extend review timeframes to six months, though the great majority of applications will be processed much faster. The Government is committed to meeting commercial deadlines wherever possible.

These temporary measures, which were introduced to protect the national interest while the economic is impacted by the coronavirus outbreak, will remain in place for the duration of the current crisis. Further details are available on the FIRB website, www.firb.gov.au, including a Guidance Note on the changes.

AUSTRALIAN TAXATION OFFICE

TAX TIPS FOR RENTAL PROPERTY OWNERS AFFECTED BY COVID-19

While tax isn't necessarily on people's minds at the moment, Adam O'Grady, Assistant Commissioner from the Australian Taxation Office, advised that the ATO have been working hard to provide your clients with information and answers to their questions to help them understand how COVID-19 and government legislated changes may affect their rental income and deductions.

Mr O'Grady stated, "A number of rental property owners have had their rental income adversely affected by COVID-19, whether it is through reduced rental income, tenants under deferred payment plans, or travel restrictions which are impacting demand for short term rental properties. Given these impacts, property owners may be worried about what this means for them. The ATO would like to alleviate these concerns by providing this information early so they can focus on keeping themselves, families and communities safe."

Should tenants stop paying rent or pay less rent due to the direct effects of COVID-19, your clients will still be able to claim their normal expenses for their investment property in their tax return, and don't need to apportion their expenses.

When tenants return to paying the full weekly rent, which may also include back payments, this needs to be included as income in the year it was received. Depending on the arrangement made with the tenant about paying rent in arrears, this may take a substantial time and will need to be declared over multiple years.

If your clients receive an insurance payout for loss of rent, this should be included as rental income in the year it was received.

Short term rentals are also impacted with restrictions on travelling and social distancing. What rental property owners can claim and how they apportion their deductions depends on how they were using the property before COVID-19 and how they were planning on using it during the COVID-19 period. This usage and intended usage will impact how they apportion expenses between when the property was available for rent and when it was used for private purposes. If your client uses the property themselves or provided it to friends or family to self-isolate, this will increase their private usage of the property and they will need to reduce the deduction they can claim. If your client had started to use the property in a different way than before

» *article continues*

COVID-19, the proportion of expenses they can claim as a deduction may change. To find out more go to the FAQ COVID-19 on the ATO website.

Mr O'Grady has stated that ''We are trying to make it easier for people to get things right and encourage them to make use of the information we have published.''

He would also like rental property owners to be aware of some recent law changes. Depreciation is no longer deductible on second-hand assets purchased after 1 July 2017. This impacts people who buy a previously used property, as there will be items within the property, such as the hot water system, dishwasher or stove that are no longer depreciable. Rather, they are included in the cost base for calculating the capital gain when the property is sold.

Also, from 1 July 2019 expenses for holding vacant land are no longer deductible for most people. This applies even if the land was acquired or held before this date. This include land that property owners may have been claiming expenses for over a number of years.

Whilst the world has changed significantly in the last few months, your clients can still ensure they are keeping up with their tax obligations by following these tips and tricks to avoid common mistakes such as:

- apportioning income and expenses for co-owned properties
- getting initial repairs and capital improvements right
- claiming the correct amount of interest on their loan
- keeping the right records.

There is also a raft of information on the ATO website that your clients can access for support with:

- requesting an extension to lodge a tax return
- accessing low interest payment plans to help pay existing and ongoing tax liabilities or
- access to instalments that have been already paid.

If your clients have other COVID-19 related questions that haven't been addressed in our tips, they can contact ATO Community.

- COVID-19
- Rental property owners toolkit
- www.ato.gov.au/rental
- www.ato.gov.au/rentalvideos
- www.ato.gov.au/rentalpropertyguide

Aon announces new and robust professional indemnity insurance solution for the real estate sector

Aon (NYSE:AON), the leading global professional services firm providing a broad range of risk, retirement and health solutions, has announced a robust and extensive professional indemnity insurance solution for the real estate sector.

This arrangement comes strongly recommended and endorsed by the Real Estate Institute of Queensland and the Real Estate Institute of Western Australia, and the Real Estate Institute of Australia welcomes the competitive pricing and market leading policy features and benefits that are offered in this newly created solution.

The key features of the real estate solution are:

- New approach to policy rates
- New or improved coverage extensions
- Removal of a number of policy exclusions

Aon's involvement in the real estate industry spans more than 40 years and extends across every state and territory in Australia.

Richard Silberman, Client Director for Real Estate at Aon, said: "Aon is committed to sourcing competitive solutions from the insurance market. After approaching several insurance markets, we have negotiated this new arrangement with Insurance Australia Limited through CGU Insurance. By working with CGU, Aon has chosen a strong, reputable insurer who is committed to providing quality insurance solutions tailored to the real estate Industry.

"We are hoping this change is well received in the real estate industry as agents look to manage costs and emerging risks associated with the impact of COVID-19. We are excited to be bringing this greatly improved product to market, with more competitive pricing, fewer exclusions and greater policy coverage at a time when the industry needs all the support it can get in these challenging times."

Find out more about the offer aon.com.au/realestate.

For further information please contact Emma Casey at Aon
T +61 2 9253 7421
E emma.casey@aon.com

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✓ Extended coverage
✓ Fewer exclusions

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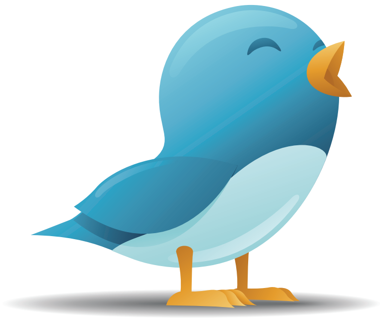
AON

MAKING NEWS

General national news



The Real Estate Institute of Victoria Charitable Foundation reaches out to support homeless youths

THE REIV Charitable Foundation recently donated $20,000 to Launch Housing to help 60 at-risk children, without housing to access crucial support and supplies.

The donation follows on from a $10,000 donation made to Launch Housing in 2019, which was able to benefit 27 at-risk children.

Chair of the REIV Charitable Foundation Sophie Lyon said the real estate industry was proud to be able to give back to the community.

“As real estate agents, we know how important housing is, it is imperative that we do everything we can to put more roofs over homeless children,” Ms Lion said.

“Homeless children have a right to feel safe, supported and secure, and the REIV is proud to support Launch Housing help reach out to as many vulnerable children as possible.”

“Our industry has a responsibility to give back to our community; being able to help 60 at-risk youth gain access to fresh food, education and support is vital.”

“The Covid-19 crisis is impacting us all, we need to make sure that the most risk in our society are protected during these demanding times.”

The Launch Housing spokesperson said this donation would support children at a time when it’s easy for them to feel helpless.

“30% of people experiencing homelessness in Australia are children under the age of 12. We thank the REIV Charitable Foundation for their generosity in helping to help these children.”

“As the world closes the door to battle Covid-19, many vulnerable children are being cut off completely and are at an increased risk of family violence.

“This donation will help Victoria’s most vulnerable families access food, clothing, emergency accommodation, and support for their children.”

“Because of the lockdown and early school holidays and closures, they are at increased risk of family violence and don’t have many of their usual supports in place.”

Source: Real Estate Institute of Victoria

INDUSTRY UPDATE

Industry news from around Australia

New South Wales

REINSW welcomes NSW Government's decisions to reduce COVID-19 restrictions on agents and to help homebuyers by removing stamp duty

The REINSW welcomes the State Government's decision to remove some of the restrictions imposed on agents when showing and auctioning properties.

The property services industry is being afforded the opportunity to expand the suite of services it currently offers the community under the COVID-19 social distancing regulations. The industry has earned this opportunity by demonstrating its strict compliance with the existing suite of community protections. Accordingly, the industry acknowledges its obligation to slavishly follow the procedures and processes prescribed by Government to protect the community.

REINSW CEO Tim McKibbin says "large supermarkets, home improvement shops and public transport all have people congregating in an environment not dissimilar to what is proposed for the property services industry, so we welcome the relaxation of these restrictions."

The property industry is fully cognisant of its obligations to ensure social distancing, the use of sanitising procedures and the like to protect the community," says Mr McKibbin. "Accordingly, the property services industry acknowledges and embraces its obligation to follow the procedures and processes prescribed by Government to protect the community."

"The Government has clearly demonstrated that the health and safety of the community is its primary obligation. Whilst discharging that obligation the economy was put into hibernation."

"Now that systems have been developed and deployed to protect the community, the Government has clearly turned its attention to slowly reigniting the economy. The property industry as the single biggest industry in NSW is the logical place to start."

"Consistent with the mantra "*we are all in this together*" the REINSW and its members will do whatever is required to support the Government and protect consumers."

The REINSW supports and commends the NSW Treasurer's commitment to overhaul the taxation regime currently applied to the property industry.

Whilst there is no such thing as a good tax, it is universally accepted that a broad-based tax system has less impact on economic activity. Taxation should be a consequence of a transaction, not a consideration.

REINSW CEO Tim McKibbin says "the acquisition of goods and services subjected to the impost of the Goods and Services Tax (GST) – a broad-based tax – rarely if ever influences the consumer's purchasing decision. By contrast transfer (stamp) duty is a very narrow-based tax and is a significant cost attaching to the acquisition of a property."

"For this reason, transfer duty is a consideration, not a consequence of the transaction," says Mr McKibbin. "Accordingly, we see people renovating their property rather than selling and buying a property that better responds to their current lifestyle."

"A tax that influences purchasing decisions, is a bad tax. The NSW Treasurer has correctly described transfer (stamp) duty as inequitable and inefficient."

Source: The Real Estate Institute of New South Wales

Industry reforms: NSW Fair Trading to focus on education

NSW Fair Trading has released a *Statement of Regulatory Intent* setting out that their overall approach to compliance with the industry reforms for the next six months will be to educate, rather than enforce and penalise.

Preparing and implementing systems, processes and procedures to ensure compliance with the industry reforms that commenced on 23 March 2020 was always going to be a substantial task – one that has now been exacerbated by the COVID-19 pandemic.

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INDUSTRY UPDATE

Industry news from around Australia

» *continued*

"At the same time as we're working to implement the industry reforms, we're also coming to grips with the new operating environment we find ourselves in due to the coronavirus," REINSW CEO Tim McKibbin said. "Agencies are keenly focused on responding to the impact of social distancing and strict business restrictions. To also ensure compliance with the industry reforms, now and in the coming weeks and months, is an almost impossible feat for many."

Education, not enforcement

Recognising the challenges facing the real estate industry at this time, NSW Fair Trading released a Statement of Regulatory Intent announcing their intention to focus on education, rather than enforcement and penalty for the next six months.

The Statement applies to new regulatory obligations under the *Property and Stock Agents Act 2002* (NSW) (formerly the *Property, Stock and Business Agents Act 2002* (NSW)). It does not apply to changes to the residential tenancies framework, which also commenced on 23 March 2020.

"The Statement sets out that compliance obligations will be principally aimed at assisting industry participants to understand and comply with their new regulatory obligations," Tim said.

"During this time, NSW Fair Trading's compliance response will be to not penalise agents who are identified as non-compliant with the new regulatory obligations. However, they will expect non-compliant agents to demonstrate that they have taken active steps towards compliance within a reasonable time and also be fully compliant by the time the Statement expires."

The Statement of Regulatory Intent and, therefore, NSW Fair Trading's educative approach to compliance is effective until 30 September 2020 (unless otherwise varied in the interim), at which time they will move to more active compliance enforcement.

Importantly, the Statement only applies to new regulatory obligations; that is, the changes comprising the industry reforms package. NSW Fair Trading has retained the option to take active enforcement action against existing regulatory obligations that did not change on 23 March 2020. This will especially be the case where non-compliance poses a higher risk of consumer detriment; for example, unlicensed trading, underquoting and failure to hold professional indemnity insurance.

The right approach

Tim said he was pleased with NSW Fair Trading's decision to stay enforcement action regarding the industry reforms for six months.

"It's the right thing to do," he said. "Our industry has been faced with an enormous amount of change in one hit. From the industry reforms and new Supervision Guidelines to the comprehensive overhaul of the residential tenancies framework, every aspect of real estate has been touched. Even putting what's happening due to COVID-19 aside, that's a huge amount of change to absorb and apply.

"COVID-19 has been an enormous disruption and will continue to be for the foreseeable future."

Moving forward

And what will happen when 30 September 2020 rolls around and the six-month stay on enforcement action expires?

"We don't know how long it will take for the COVID-19 crisis to stabilise," Tim said. "Taking account of the extreme disruption the industry has experienced during this time, it may be necessary to ask NSW Fair Trading for an extension of this stay on enforcement. If needed, this will give everyone sufficient time to dedicate the necessary resources to implement the reforms, without the all-consuming disruption of doing what needs to be done just to keep the doors open and remain viable in the wake of COVID-19.

"At this stage, it's really a case of 'watch this space'. REINSW will be supporting members and keeping you up to date every step of the way."

Source: Real Estate Institute of New South Wales

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INDUSTRY UPDATE

Industry news from around Australia

» *continued*

Northern Territory

NT Market is down but not out

REINT reports a decrease in sales for the quarter, but the figures are still above last year with a small rise in median prices.

The Real Estate Local Market (RELM) report has been released by the Real Estate Institute of the Northern Territory showing the results of the March quarter in 2020.

"This report looks at the real estate market for the March Quarter 2020, which captures the lead-in period to the Coronavirus," said Quentin Kilian, REINT Chief Executive Officer.

"We suspect that the following report in the June Quarter will show a different picture again.

At a glance:

- Sizeable drop in volume across the Greater Darwin marketplace for detached dwellings since December 2019
- Sales volumes fell by 27 per cent
- Sales volumes still above 12 per cent for the same time last year
- Median price, up this quarter by 2.2 per cent quarter on quarter

"Life in this current COVID-19 crisis has tested the 'norm' as we know it, but it is pleasing though to see how well the real estate community in the Northern Territory has adapted to the current environment and, in the main, are pushing on with business as best they can.

"Looking at the Detached Dwelling or 'House' market, the first quarter of this year saw a sizeable drop across the Greater Darwin marketplace compared to December 2019, where we had seen a sizeable upward movement in volume."

The March 2020 Quarter saw sales volumes fall by 27 per cent.

"But the good news is that they are still some 12 per cent above the same time last year, and equally good news is that we continue to see a small rise in the median price, up this quarter by 2.2 per cent to $470,000." said Mr Kilian.

The majority of the sales came in the $350-$450,000 range with an almost equivalent amount in the $450-600,000 range.

Palmerston was down by 28 per cent in volumes, which is actually lower than this time last year, and the median price in Palmerston also took a further hit dropping 1.2 per cent on the last quarter and 4.5 per cent lower than last year at $425,000.

Alice Springs also saw a sizeable drop in volumes, down by 28.6 percent for the quarter and 11.8 percent year on year.

However the Alice Springs median price rose 1.6 percent to be steady with the same time last year at $457,000.

The unit/townhouse market saw similar falls in quarterly volumes, but all jurisdictions remain well above where sales were last year.

"For Greater Darwin volumes fell 14 per cent but that is still 34 per cent higher than this quarter last year and the median priced slipped a little, dropping by 0.7 per cent to $302,750," said Mr Kilian.

Palmerston unit market performed reasonably well this quarter.

"While volume was down 5.3 per cent against the December Quarter, that is up 50 per cent compared to March 2019, so overall volumes are increasing, and Palmerston also recorded an increase of 12.9 per cent on the median Unit price, up to $269,750," said Mr Kilian.

Alice Springs again took a sizeable slide of 38.6 percent in sales volumes in the unit market, but is still up 12.5 from last year and the median price in Alice rose 7.4 per cent for the quarter to $327,000 – which is still higher than the media unit price in Darwin.

Vacancy rates fell across most jurisdictions, except Alice Springs.

"This indicates an active rental market over the last quarter coupled with lower numbers of reported properties under management due to a number of properties being withdrawn from the market or sold." said Mr Kilian.

"Greater Darwin vacancy rate was down to 5.4 per cent, which, while still too high, is the lowest we've seen it for quite some time." said Mr Kilian.Rents, after showing a little bit of a lift in December, have taken a hit in March 2020.

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The average rent for a 3 bedroom house in Darwin is $459.00 per week – down 2.7 per cent for the quarter but slightly higher than this time last year.

Unit rental, averaged on a 2 bedroom unit in Darwin, was also down 2.4 per cent to $330.00 per week, but again that is 4.4 per cent higher than March 2019.

"There is still great news for investors in that rental yields remain the strongest of any Australian Capital city at 5.1 percent on houses and 5.7 per cent on units." said Mr Kilian.

"We are seeing increased buyer enquiries and activity coming from interstate and a recent survey of REINT Members indicated that the property letting side of the industry was still quite busy.

"And with the Chief Minister lifting the restrictions on open houses and auctions from this weekend, it's a great time to get back to normal and start your property search."

Source: The Real Estate Conversation

South Australia

Market update – 2020 March quarter

The results of the first quarter of 2020 show an amazing resilience to COVID-19 and its effects on the real estate market. While the next set of figures may prove otherwise, we should acknowledge the optimism of the real estate consumer and the real estate profession's innovation in keeping the real estate market moving forward.

Following the release of the Valuer-General's median house price data for the 2020 March quarter, REISA President Mr Brett Roenfeldt said that the latest figures showed a pleasing growth in the median price since the same period last year and only a slight dip from the record high in the last quarter of 2019.

"It is great news that the median price recorded this quarter is still the second highest median price ever. While this quarter only partially captured some of the effects of COVID-19, it is nevertheless, a terrific result. The sustained median price is a clear indicator of the underlying strength and resilience of the Adelaide real estate market. It is very clear that purchasers are still willing to enter the real estate market and pay a premium price for properties that are affordable, realistically priced and which offer great opportunities for life change experiences, investment and development".

"It is too soon to tell what COVID-19 will bring in the next quarter but there will inevitably be an impact. REISA has written to the State Government calling for relief and emphasising the effects that COVID-19 is having and will have on the real estate profession" Mr Roenfeldt said.

In the March quarter, 3, 871 houses settled across the Adelaide metropolitan area which is down from the previous quarter (as it always is) but significantly up from the same quarter last year. Sales across the entire State were down from the previous quarter but again, significantly up from the same quarter last year.

"I am thrilled with these sales figures this quarter. There is always a downturn in sales volume from the last quarter of the preceding year, but these figures have held up surprisingly well. It is noteworthy that the sales increased by almost 400 sales from the same period last year." Mr Roenfeldt said.

Suburbs which have seen the largest growth over a 12 month period were North Adelaide, Gawler South and Tea Tree Gully with increases of 39.92%, 39.38% and 34.29% respectively. Other big movers included Golden Grove, Blackwood and Hazelwood Park.

Top selling suburbs in terms of recorded sales over the March quarter were the perennial Number 1 Morphett Vale, Mount Barker and Aldinga Beach. Other top performing suburbs included Parafield Gardens, Andrews Farm and Aberfoyle Park.

More broadly, the March quarter statistics showed that the growth in the South Australian median price was slightly down from the previous quarter and remained the same as the same period last year.

The unit and apartment market showed a sustainable increase of 1.40% in the median price compared to the

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previous quarter and a decrease in the median price from the same quarter last year. Sales were very slightly down from the previous quarter and down from the same quarter last year.

"I am pleased by these results and encouraged by the real estate profession's determination to weather this crisis through. I am confident that we will survive this crisis and that the real estate market will be stronger than ever" Mr Roenfeldt said.

Brett Roenfeldt OAM, REISA President and REIA Board Director SA

Tasmania

Bracing for impact

With the first case of COVID-19 being confirmed in Tasmania on 2 March, it comes as no surprise that the figures around our State reflect a relatively stable marketplace. I can say with some certainty this will not be the case next quarter.

Over the March 2020 quarter Tasmania experienced a total of 1,870 house sales. This was a 1.2% decrease State-wide on the previous quarter and 4.9% increase over the previous year.

Sandy Bay in the south achieved the highest median sale price at $948,888. The median sale price in Sandy Bay was down 9.6% on the previous quarter. Devonport ran out winners with the highest number of sales, with 63 for the quarter.

Taking a look at house sales per Municipality: Launceston achieved 284 sales for the quarter followed by Clarence with 177. The West Coast experienced a 31% decrease over the quarter but a wonderful 107.1% increase for the year.

The rental market across the State for the March quarter was also reflective of a relatively stable environment. An inner city 3 bedroom house in Hobart has a median rent of $550 a week which was up 1.9% for the quarter and 6.7% for the year. In Launceston a 3 bedroom home has a median rent of $350 which was up 6.7% over the previous quarter and 10.3% over the previous year. In the North West centres, a 3 bedroom homes median rent was $300 which remained steady on the previous quarter but a comfortable 7.1% increase over the previous year.

Vacancy rates for Hobart were low at 2.1% across all types of properties, 2.2% for Launceston and 3.1% for the North West Coast.

Across the State the two most expensive postcodes for the quarter were 7005 and 7004 and the postcodes with the highest turn over of property were 7250 and 7310. In addition to this, Sandy Bay was crowned the most expensive suburb with 29 sales, a median sale price of $948,888 and an increase in sale price of 21.7% over the previous year.

Among the most affordable suburbs/towns in Tasmania were Queenstown and Roseberry however Smithton ranked third on the list with a decrease in median sale price of 24.5% over the previous year.

The three suburbs/towns rated as those who achieved the highest median sale price growth over the previous quarter were South Hobart (39.9%), West Ulverstone (36.8%) and Berriedale (36.1%).

West Ulverstone also rated a mention in the highest median sale price growth over the previous year with a 60.9% increase, followed by Beauty Point (60.2%) and Westbury (52.2%).

Across Hobart there had been 35 sales in excess of $1M and 4 sales in excess of $1M in the Launceston area.

The majority of buyers in Tasmania were second home buyers who made up 47% of consumers. This was followed by investors at 20%. The bulk of the investors were purchasing in the Launceston and North West regions.

The days on market in all areas across the State remained steady also with Hobart's average being 20 days, Launceston 14 days and the North West at 41 days. The State average was a tidy 35 days on market.

On a National level housing affordability declined in all states and territories with the exception for the Northern Territory where there was an improvement. The average loan for a Tasmanian purchaser was $334,941 in the December quarter (Housing Affordability Report) and this would consume 29.2% of the family income to service/maintain.

» *article continues*

INDUSTRY UPDATE

Industry news from around Australia

» *continued*

The number of FHOG and FHOB for the financial year 2019-2020 (to date) is 497 which is tracking behind the previous financial year of 631.

In conclusion I think it is fair to say we have experienced a stable March 2020 quarter with very slight signs of negative activity. I have no doubt the next quarter will tell an entirely different story with longer days on market, higher vacancy rates, lower approvals, a shift in the buyer demographics with the possibility of decreasing sales prices.

An ever-evolving industry with many strong leaders and innovators. It is already becoming apparent the way we do business may never be the same again and technology has come to the forefront with a vengeance.

REIT President Mandy Welling

Western Australia

Home opens back in business

Over the last few weeks we have seen sales transactions reduce to under 300 per week, compared to this time last year which had over 500 per week.

We are no doubt seeing the short-term impacts of the coronavirus outbreak, however with the Western Australian Government easing restrictions to allow home opens to take place with a maximum of 10 people (including the agent), things should start to pick back up.

Since the outbreak, more and more listings have included virtual tours which allow people to get a sense of the property without physically being there. With home opens now allowed, it will ensure you truly get a sense of whether you can see yourself living there, or if you are an investor, whether it might be suitable for a tenant.

With over 12,000 listings for sale on reiwa.com and over 7,000 listings for rent, there are literally thousands of options to choose from, which is why keeping track of your upcoming home opens can be an overwhelming process.

To help make this part of your real estate journey as easy and convenient as possible, the team at reiwa.com have created a home open planner, which is located on the reiwa.com app.

This tool allows you to not only keep track of all the home opens in one day, it also maps out the route from each home open including how long it will take to get to each property.

Starting from your current location, the map view will show your selected properties in order of their home open time. It also links with your selected map app, which provides you with directions on how to get to each property.

For those who are looking to house share a rental property or buy a property with another person, this tool is great as it allows you to share your home open plan with others.

When planning your day make sure to register for each home open, as agents are required to maintain a register of people who attend each home open and if your name is not on the list, you may get turned away.

On the day it is important to remember that current social distancing and hygiene rules will still apply, with agents providing hand sanitiser or gloves during the inspection and asking attendees not to touch anything.

If you have any questions about attending a home open, make sure to reach out to your REIWA agent who will be able to provide you with more information.

REIWA President Damian Collins

WA needs to look ahead and abolish stamp duty

Stamp duty is widely considered the most economically inefficient tax currently imposed by State Governments. Not only that, it's also the biggest barrier to home ownership and significantly restricts people's ability to move homes.

REIWA has and always will be a strong advocate for the removal of stamp duty on property transactions and have it replaced by a broad-based land tax system. We were glad to see the New South Wales Government recently launched a review into its removal and we strongly urge the Western Australian Government to do the same.

» *article continues*

INDUSTRY UPDATE

Industry news from around Australia

» *continued*

Many might be asking why the government should be looking at it now. It is expected that property transactions will be lower for some time, which means the proportion of revenue the government generates from stamp duty is likely to be at the lowest levels in at least 15 years.

This is why we need to look at an option that will help remove barriers to mobility and home ownership, whilst also providing a smarter taxation model to help the government in the long run.

A broad-based land tax would see the upfront stamp duty payment abolished and replaced with yearly payments that would be calculated and paid in a similar way to how property owners currently pay their rates.

Spreading the cost of property taxes across many years will make home ownership a reality for more West Australians, while creating a steady and reliable stream of income for the State Government.

For those who have already paid stamp duty on their properties in recent years, phasing in these changes would ensure property owners were not taxed twice in a short period of time.

If a family saves $50,000 for a home deposit, which is no easy feat, and is looking to buy a home at the current median house price of $495,000, a significant amount of $17,765 of that deposit will go towards stamp duty.

For those who need to factor in Lenders Mortgage Insurance due to the payment of stamp duty, an additional $16,010 would be required.

Stamp duty is the single biggest hurdle for prospective home owners in WA entering the property market and with the 2021 State Election fast approaching, REIWA is urging all major political parties to put the abolishment of stamp duty on the agenda.

REIWA President Damian Collins

COVID-19 changes for commercial landlords and tenants

After the Federal Government announced that a moratorium on evictions and a commercial code of conduct would be put in place to help those suffering financial hardship due to coronavirus (COVID-19), each State Government was left to determine the specific details as part of their legislation.

This can be confusing to understand, so we have pulled together some information to help commercial landlords and tenants understand how these changes may impact them.

Temporary legislation

Recently, the Commercial Tenancies (COVID-19 Response) Act 2020 has come into play, however the code of conduct that is referred to in the Act is yet to be finalised and will be done so in the coming weeks.

The Act will be backdated to 30 March 2020 until the 30 September 2020 – note this date can be shortened or extended where necessary and will be repealed 12 months after the emergency period has finished.

Why is it being updated?

The temporary legislation aims to help small commercial tenants that are now in financial distress to survive the current economic conditions due to the unforeseen economic impacts of COVID-19.

The idea behind this is to ensure that those who are struggling now can reopen their doors to trade once the restrictions are lifted and continue business as they would have prior to the outbreak occurring.

If a tenant is evicted due to not being able to pay rent, the owner could spend more time trying to find a new tenant and losing more rent coming in, than they would in assisting the current tenant who is struggling.

What is included in the Act?

Apart from the eviction moratorium, the legislation also includes:

- Rents cannot be increased during the emergency period.
- For those that are unable to pay their rent due to a loss of include from COVID-19, no interest will be charged on rent arrears.
- An enhanced dispute resolution process with the Small Business Commissioner will be introduced for those who can not reach an agreement.

» *article continues*

INDUSTRY UPDATE

Industry news from around Australia

» *continued*

- Restriction on penalties for tenants who do not trade or reduce their trading hours.
- Property owners are prohibited on progressing proceedings that occurred after the restrictions were imposed but before these laws come into operation.

Commercial code of conduct

In addition, a mandatory code of conduct will be established which will aim to assist with negotiations between landlords and tenants, to agree on rent relief measure.

At this stage, this is still being drawn up by the Department of Mines, Industry Regulation and Safety (DMIRS) and REIWA has sent a submission to DMIRS outlining what we as an industry body believe will help both property owners and tenants during this process.

More information

REIWA has pulled together a list of frequently asked questions in relation to the new legislation, which may provide you with a more detailed explanation.

In addition, visit the DMIRS website which has more information for commercial landlords and tenants.

Your REIWA agent is also a valuable source of information. Make sure to contact them if you have any further questions.

Source: Real Estate Institute of Western Australia

Victoria

Holding off on RTA changes a great outcome

REIV President Leah Calnan has welcomed the Victorian Government's decision to hold off on introducing changes to rental laws until next year allowing the state to deal with Coronavirus.

Earlier this month the REIV wrote to the Victorian Government, calling for a delay to changes to the Residential Tenancy Act due to the outbreak of Covid-19.

Rental reforms were due to take effect on 1st July, which would have been difficult to implement while the real estate industry was dealing with the fallout of Coronavirus.

Recently the Victorian Government announced that it agreed that now was not the best time for rental reforms and that they would hold off for the time being.

REIV President Leah Calnan said this was a sensible decision.

"The State Governments decision to delay the introduction of rental law changes is a huge relief to everybody in the Victorian Real estate sector and allows us to focus our full attention on dealing with Covid-19." Ms Calnan said.

"Dealing with drastic changes to rental laws, would have been impossible to manage when the industry is already dealing with significant increase in workload with reduced resources and income. The financial viability of real estate businesses is also heavily impacted at this time."

"Everybody has enough on their plate at the moment, delaying rental law changes was the right call."

"Delaying changes to the RTA will help protect VCAT from being further flooded with residential cases, creating an unnecessary backlog during the pandemic."

"We congratulate the Victorian Government on listening to our industry and making the bold decision, to delay rental changes and concentrate all of our resources into tackling the impact of the Coronavirus."

REIV President Leah Calnan

Auctions and open for inspections are coming back!

Real Estate Institute of Victoria President Leah Calnan has welcomed the Victorian Government's decision to allow on-site property auctions and open for inspections to return to in Victoria with restrictions.

The State Government on 11 May 2020 announced their plans to ease COVID-19 restrictions in Victoria, which included the welcome news that property auctions and open for inspections can return as of Wednesday.

» *article continues*

INDUSTRY UPDATE

Industry news from around Australia

» *continued*

Both on-site property auctions and open for inspections will be restricted to 10 people in addition to staff required to facilitate the auction or inspection, the contact details of attendees will also be recorded.

REIV President Leah Calnan said the real estate sector is prepared to take the measures necessary to assist with a safe return to business.

"The real estate sector has adapted extremely well during this pandemic, while restrictions are being lifted, the threat of Coronavirus remains and it is imperative that we continue to run auctions safely and responsibly." Ms Calnan said.

"The REIV encourages all members to download the COVIDSafe App and implement strong safety protocols as we begin our return to work routines. In addition, the REIV recommends that all individuals attending an open or auction should also download the App, provide contact details to the agent and follow social distancing measures as required.

"Online auctions have worked well over the last few weeks and we encourage members to use this as an additional channel for wider engagement."

"Having public auctions will inspire increased confidence in our economy, auctioneers across the state are looking forward to getting back to what they do best."

"We are very excited about auctions coming back, the real estate sector is prepared to do the right thing to ensure auctions and open for inspections are run safely."

Source: Real Estate Institute of Victoria

Victorian property market in peak form pre Covid-19

REIV President Leah Calnan says the Victorian Property Market achieved record-breaking growth prior to the outbreak of Coronavirus, with the REIV Quarterly Median House and Unit for the March quarter revealing great results across the state.

During the March Quarter metropolitan, houses soared to a new record height, eclipsing $890,000 for the first time, a 3.7% growth on the previous December 2019 quarter.

Metropolitan Units followed this strong trend reaching over $640,000.

Records were smashed in the Outer Melbourne region with both Houses and units reaching new high values.

While Inner and Middle Melbourne, the price of units grew to new heights and even outperformed the growth of houses in those regions.

Growth continued evenly across regional Victoria with gains in both units and houses. Greater Bendigo has fared very well featuring five suburbs in the list of top 20 suburbs for quarterly growth for regional Victoria.

REIV President Leah Calnan said the March Quarterly Medians shows that the Victorian property juggernaut was in peak form before the outbreak of Covid-19

"2020 has been an amazing year for real estate; property values have reached new heights across the state during January, February and March." Ms Calnan said.

"Investors in the Victorian property will be thrilled with these figures, units and houses have soared in value; our market is in red hot form."

"Victorian property owners are reaping the rewards, and a strong buyers market has led to property values undergoing unprecedented growth."

"Our local market is strong and resilient; buyers from across the globe are have shown great interest in Victoria."

"Everybody wants to get in on the action; we were regularly getting over 1000 homes sold at auction over a weekend, competition for houses in Victoria remains strong."

"In chaotic times such as we are battling now, it is a much welcome relief to be able to see some good news, Victorian real estate is in great condition."

"Our industry is strong, and we will survive Coronavirus, the desire for Victorian real estate is high when this over we look forward to more fantastic results."

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INDUSTRY UPDATE

Industry news from around Australia

» *continued*

Table 1 *Growth of the Victorian property market prior to the outbreak of Coronavirus*

	Mar-20 Quarter	Dec-19 Quarter	Quarterly Change	12 months to Mar-20 Quarter	12 months to Mar-19 Quarter	Annual Change
Metropolitan Melbourne						
House	$893,000	$861,500	3.7%	$845,000	$826,000	2.3%
Unit and Apartment	$641,000	$637,000	0.6%	$622,500	$595,000	4.6%
Regional Victoria						
House	$419,000	$421,000	-0.5%	$415,000	$405,000	2.5%
Unit and Apartment	$297,500	$307,500	-3.3%	$295,000	$295,000	0.0%

	Mar-20 Quarter	Dec-19 Quarter	Quarterly Change	12 months to Mar-20 Quarter	12 months to Mar-19 Quarter	Annual Change
Inner Melbourne						
House	$1,485,000	$1,513,500	-1.9%	$1,450,000	$1,465,000	-1.0%
Unit and Apartment	$635,500	$633,500	0.3%	$620,000	$595,000	4.2%
Middle Melbourne						
House	$1,024,500	$1,032,500	-0.8%	$985,000	$955,000	3.1%
Unit and Apartment	$724,500	$711,000	1.9%	$695,000	$651,750	6.6%
Outer Melbourne						
House	$695,500	$677,500	2.7%	$667,000	$665,000	0.3%
Unit and Apartment	$550,000	$543,000	1.3%	$525,000	$514,450	2.1%

	Mar-20 Quarter	Dec-19 Quarter	Quarterly Change	12 months to Mar-20 Quarter	12 months to Mar-19 Quarter	Annual Change
Auctions						
House	$1,012,500	$1,013,000	0.0%	$990,000	$948,975	4.3%
Unit and Apartment	$713,500	$712,000	0.2%	$700,000	$660,000	6.1%
Private Sale						
House	$753,000	$737,500	2.1%	$739,000	$750,000	-1.5%
Unit and Apartment	$573,000	$576,000	-0.5%	$565,000	$545,000	3.7%

Source: Real Estate Institute of Victoria

POLITICAL WATCH

Information and news from government

Dwelling approvals stable in March

The number of dwellings approved rose 1.3 per cent in March, in trend terms, according to data released by the Australian Bureau of Statistics (ABS) recently.

“The rise was driven by private sector dwellings excluding houses, which rose 2.8 per cent, in trend terms. Private sector houses also rose 0.2 per cent,” said Daniel Rossi, Director of Construction Statistics at the ABS.

“This result indicates that in March, there was no evident impact on building approvals from COVID-19, however the ABS is monitoring for potential impacts in coming months.”

Across the states and territories, dwelling approvals rose in New South Wales (5.2 per cent), Tasmania (3.4 per cent), Western Australia (2.2 per cent) and Victoria (0.7 per cent), in trend terms. Falls were recorded in the Australian Capital Territory (7.0 per cent), South Australia (4.9 per cent) and Queensland (1.8 per cent), while Northern Territory was flat.

Approvals for private sector houses increased in New South Wales (1.4 per cent) and Victoria (0.1 per cent), in trend terms. Meanwhile, declines were recorded in South Australia (1.4 per cent), Queensland (0.9 per cent) and Western Australia (0.1 per cent).

In seasonally adjusted terms, there was a 4.0 per cent decline in dwellings approved in March, driven by a 8.2 per cent decrease in private dwellings excluding houses. Private sector houses also fell by 1.2 per cent.

The value of total building approved rose 1.3 per cent in March, in trend terms, and has now risen for the last four months. The value of residential building rose 0.5 per cent, while non-residential building increased 2.3 per cent.

Source: Australian Bureau of Statistics

NSW ready to re-open front door on property inspections and on-site auctions

The NSW property market will roll out the welcome mat from next weekend with agents and vendors able to hold traditional property inspections and on-site auctions after a six-week limited shutdown due to COVID-19.

Treasurer Dominic Perrottet and Minister for Health Brad Hazzard said the relaxing of restrictions was a sign of the ongoing success in limiting the spread of COVID-19, but warned there was no place for complacency, with community safety and social distancing to remain an ongoing priority.

“Choosing a home is one of the biggest decisions anybody makes, and easing the restrictions to ensure people can more easily inspect, buy or rent a property is an important step for NSW,” Mr Perrottet said.

“The real estate industry has been adaptable in transitioning to online auctions, property inspections by appointment or online, and now as we make the move back to a more normal mode of operation we must ensure safety measures such as social distancing remain a key part of the process.”

Minister Hazzard said these measures were vital to ensure the safety of customers, property owners and real estate staff as a more traditional face-to-face way of inspections and auctions re-commenced.

“The community has done an outstanding job in limiting the spread of COVID-19 and we need to make sure we continue to exercise vigilance and care,” Mr Hazzard said.

“Real estate agents should limit the number of people viewing a property and attending an auction, follow stringent cleaning and safety guidelines, ensure clients do not touch surfaces and always have hand sanitiser available.”

Mr Perrottet urged a common-sense approach across the industry.

“If we want to keep as many people in jobs as possible and businesses in business it is important to follow the safety advice and not put others at risk,” Mr Perrottet said.

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POLITICAL WATCH

Information and news from government

» *continued*

"If people are not genuinely in the market for a new home, now is not the time to be having a look through their neighbour's house."

Key health guidelines include:

- Ensure physical distancing of greater than 1.5m is maintained;
- Promote good hygiene on premises and at auctions including hand sanitiser;
- Use digital platforms where possible to discourage physical contact;
- Keep detailed contact records of people attending open homes and auctions;
- Ensure people with any symptoms of illness do not attend a property;
- Manage the number of people entering small spaces;
- Consider extended times for open house viewings and inspections;
- Use outdoor venues for auctions wherever possible;
- If auctions are held indoors, use large venues where physical distancing between household groups of one person per $4m^2$ equivalent is possible.

Source: Dominic Perrottet, Treasurer, Brad Hazzard, Minister for Health and Medical Research, NSW Government

Dispute resolution for residential tenants and landlords

The ACT Government will invest in a mediation service to support landlords and tenants to resolve tenancy disputes arising due to COVID-19.

COVID-19 has had a financial impact on many Canberrans, and this has created some challenges for tenants making their rent payments.

Attorney-General Gordon Ramsay said that the ACT Government has encouraged landlords and tenants to share the economic burden that has resulted from COVID-19, and to start a conversation about how this can work in each case.

"Conversations about money or about a person's home or their long-term investments are not always easy," Attorney-General Gordon Ramsay said.

"That is why we have moved quickly to secure funding for a mediation service for tenants and landlords to help support these difficult discussions and facilitate good outcomes."

The Conflict Resolution Service has been identified as the preferred provider of the service and following final negotiations, they will begin providing this important service for the community.

"The Conflict Resolution Service is a long-standing, trusted provider of mediation services in our community and has a panel of qualified mediators that they can draw upon," Attorney-General Ramsay said.

I am confident that they can provide restorative, impartial support to both landlords and tenants to deal with the difficult issues COVID-19 has caused for our community."

The ACT Government will work with the Conflict Resolution Service to get this up and running as soon as possible and further announcements will be made once the mediation service is operational.

Source: Gordon Ramsay, MLA, ACT Government

THE WORLD

Property news from around the world

REINZ reveals true impact of six days of March Level 4 lockdown on real estate sales

Around 1,100 fewer sales happened during the 6 days of the COVID-19 Alert Level 4 lockdown in March than would have normally occurred during that period, according to analysis of the Real Estate Institute of New Zealand's (REINZ) March data.

However, sales didn't grind to a complete halt, with more than 480 properties still sold during those 6 days using means such as online/telephone auctions or virtual tenders.

Bindi Norwell, Chief Executive at REINZ says: "Analysis of March sales data across the country shows that for the first three weeks of the month, between 1,750 and 1,950 properties were sold each week. However, in the final week around 1,100 fewer sales occurred as a result of the Alert Level 4 lockdown coming into effect, that is approximately a 62% decrease on what we would have likely seen otherwise.

"Looking specifically at the 6 days of Alert Level 4 lockdown in March, more than 480 properties were sold across the country, with sales occurring in each region via online platforms. The majority of these sales were likely already being negotiated or had potential offers waiting before the country moved into Level 3 and subsequently Level 4 lockdown," continues Norwell.

Regions with the largest percentage of sales were Auckland (22.1%), Canterbury (18.4%) and Wellington (10.9%).

"Whilst Auckland had the largest percentage of sales, it also appeared to be one of the most affected regions, with sales down 80% (109 properties sold, down from an average of 534 from the 3 six-day periods prior). However, Gisborne's sales were down 83% with 2 properties sold, down from an average of 12 from the 3 six-day period prior). These regions were closely followed by Waikato which saw sales fall by -77% (31 properties sold, down from an average of 135 from the three six-day periods prior)," says Norwell.

Other regions that were heavily affected were:

- Manawatu-Wanganui: -69% (24 properties sold, down from an average of 77 from the 3 six-day periods prior)
- Wellington: -67% (54 properties sold, down from an average of 162 from the 3 six-day periods prior)
- Northland: -66% (14 properties sold, down from an average of 42 from the 3 six-day periods prior)

Hawke's Bay appeared to be the least affected region with -29% fewer properties sold than would be expected (34 properties sold, down from an average of 48 from the 3 six-day periods prior).

Other regions that were impacted to a lesser extent were:

- Marlborough: -36% (12 properties sold, down from an average of 19 from the 3 six-day periods prior)
- West Coast: -37% (4 properties sold, down from an average of 6 from the 3 six-day periods prior).

"Whilst lockdown has slowed the housing market across the country, it hasn't stalled it. However, the key will be the level of activity that occurs in April when people have been unable to visit a property in person – even for private inspections.

"REINZ has continued to work with the Government to find ways to keep the industry moving through the various alert levels to ensure buyers and sellers can make property related transactions and try and move forward with their lives," concludes Norwell.

Source: Real Estate Institute of New Zealand

UK NEWS

People still investing in the Netherlands

Some €800m was invested in the Dutch residential housing market in the past six weeks despite the COVID-19-induced downturn.

Both Dutch and international investors have gotten involved, with many investing in rental homes, the report from Real Estate consultant Capital Value found.

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THE WORLD

Property news from around the world

» *continued*

Though people have been urged to stay indoors, the government in the Netherlands has not strictly ordered people to do so, in what prime minister Mark Rutte has dubbed the "intelligent lockdown."

The report added that even during a crisis the housing market's stable direct yields and low vacancy rates mean demand for affordable homes remains high.

Marijn Snijders, director of Capital Value: "It is good for the housing market that housing associations and investors keep investing. There are opportunities in the new-build segment because building production appears to be keeping up the pace.

"It is crucial that market players and municipalities cooperate even more to realise sufficient new-build plans for affordable rental homes. A dramatic decline in building production, like what happened during the last crisis, must be avoided.

"What is critical, too, is that banks continue to finance new-build projects. The government can play a potential role in this by guaranteeing temporary loans."

There is currently a shortage of around 315,000 homes in the Netherlands, double the 150,000 recorded during the financial crisis in 2008.

There were building permits issued for 58,000 homes in 2019, down from the target of 75,000.

The European Investment Bank has predicted that there will only be 48,000 building permits issued in 2020, due to possible delays in zoning as well as a lack of migration caused by travel restrictions.

Thijs Konijnendijk, head of research at Capital Value: "It can be expected that the housing shortage will increase again when the economy improves after the corona crisis, and we did not continue to build sufficiently to meet demand.

"The declaration 'Continuing to build the Netherlands together' by minister [Kajsa] Ollongren is a positive move which emphasises building capacity must remain at the right level and should not collapse as it did during the last crisis."

Source: PropertyWire.com

UK NEWS

House price growth rose by 3.7% in April

Annual house price growth rose to 3.7% in April 2020, up from 3% in March, Nationwide's House Price Index has found.

Monthly prices rose by 0.7% to £222,915, as Nationwide said the impact of the pandemic is not fully captured by the data.

Robert Gardner, Nationwide's chief economist, said: "In the opening months of 2020, before the pandemic struck the UK, the housing market had been steadily gathering momentum. Activity levels and price growth were edging up thanks to continued robust labour market conditions, low borrowing costs and a more stable political backdrop following the general election.

"But housing market activity is now grinding to a halt as a result of the measures implemented to control the spread of the virus, and where the government has recommended not entering into housing transactions during this period."

He added: "The medium-term outlook for the housing market is also highly uncertain, where much will depend on the performance of the wider economy.

"Economic activity is set to contract significantly in the near term as a direct result of the necessary measures adopted to suppress the spread of the virus.

"But the raft of policies adopted to support the economy, including to protect businesses and jobs, to support peoples' incomes and keep borrowing costs down, should set the stage for a rebound once the shock passes, and help limit long-term damage to the economy.

"These same measures should also help ensure the impact on the housing market will ultimately be much less than would normally be associated with an economic shock of this magnitude."

Tomer Aboody, director of property lender MT Finance, said: "Nationwide portrays a confident housing market with the fastest rate of growth in prices

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THE WORLD

Property news from around the world

» *continued*

since February 2017. Of course, lockdown will affect sales and prices, but that is the reason – people are locked down, surveyors cannot value properties and would-be buyers can't view them.

"There is still huge demand for property and buyers are confident about the market, which wasn't the case in 2008. Then, the financial system was devastated; this time, lending isn't an issue and banks remain keen to lend.

"There will be the inevitable slowdown of transactions but once lockdown has been lifted, huge pent-up demand which should take the marker back up."

Miles Robinson, Head of Mortgages at online mortgage broker Trussle, said: "The Land Registry data released this week shows that property sales collapsed by 40% during March, which is perhaps a more representative picture of how the Coronavirus is beginning to affect the housing market.

"However, we have seen lenders that had previously hiked LTV thresholds at the beginning of lockdown begin to loosen restrictions and, with the COVID-19 exit plan due to be published next week, we could see the market start to shift back into action."

Source: PropertyWire.com

National Association of REALTORS®

Historic May meetings

The National Association of REALTORS®' Board of Directors capped the historic, first-ever virtual 2020 REALTORS® Legislative Meetings with three crucial votes Friday:

1. Members won't see an NAR dues increase in 2021.
2. Brokers will be able to get MLS data feeds of their own listing content.
3. The association's 2021 officers were chosen via remote election for the first time.

"As we find during any time of crisis, this pandemic offers our members and our association a tremendous opportunity to evolve and adapt to the markets of the future," said NAR CEO Bob Goldberg, quoting musician Frank Zappa. "Without deviation from the norm, progress is not possible."

NAR announced March 18 that, as a result of the COVID-19 health crisis, its annual Washington, D.C., conference would be delivered virtually. The May meetings typically attract 9,000 to 10,000 members and include Capitol Hill visits by state REALTOR® delegations. The virtual platform drew more than 28,000 registrants—roughly triple the average annual participation—who had the chance to attend streaming forums, committee meetings, and conference sessions, which were held from April 27 to May 14.

The number of registrants even surpassed the average for NAR's largest event, the annual REALTORS® Conference & Expo.

While Goldberg said he hopes this year's November convention will proceed as planned in New Orleans, future NAR events will forever be changed in that they will include both virtual and in-person components. "Decades of investments in technology and a commitment to reinventing ourselves allowed NAR to execute a conference none of us imagined being necessary just a few months ago," he said.

The board elected Leslie Rouda Smith of Plano, Texas, as NAR's president-elect and Kenny Parcell of Spanish Fork, Utah, as first vice president for 2021. In a contested election, Nancy Lane of Brandon, Miss., was elected 2021-22 NAR treasurer.

Leadership Team

- **President** Charlie Oppler, AHWD, C2EX, Franklin Lakes, N.J.
- **President-elect** Leslie Rouda Smith, ABR, AHWD, CIPS, CRB, CRS, e-PRO, PMN, C2EX, Dallas
- **First Vice President** Kenny Parcell, ABR, CRS, C2EX, Spanish Fork, Utah
- **Immediate Past President** Vince Malta, CIPS, C2EX, San Francisco
- **Treasurer** Nancy M. Lane, AHWD, CCIM, RENE, C2EX, Brandon, Miss.
- **CEO** Bob Goldberg, e-PRO

Source: National Association of Realtors

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